

Senate File 61 - Introduced

SENATE FILE 61

BY HOGG

A BILL FOR

1 An Act relating to the division of school foundation property
2 taxes for purposes of urban renewal and including effective
3 date provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.19, subsection 2, Code 2011, is
2 amended to read as follows:

3 2. That portion of the taxes each year in excess of such
4 amount shall be allocated to and when collected be paid into
5 a special fund of the municipality to pay the principal of
6 and interest on loans, moneys advanced to, or indebtedness,
7 whether funded, refunded, assumed, or otherwise, including
8 bonds issued under the authority of section 403.9, subsection
9 1, incurred by the municipality to finance or refinance, in
10 whole or in part, an urban renewal project within the area,
11 and to provide assistance for low and moderate income family
12 housing as provided in section 403.22, ~~except that.~~ However,
13 taxes for the regular and voter-approved physical plant and
14 equipment levy of a school district imposed pursuant to section
15 298.2, ~~and~~ taxes for the payment of bonds and interest of
16 each taxing district ~~must,~~ and the foundation property tax
17 imposed pursuant to section 257.3, subsection 1, but only
18 as provided in subsection 8, shall be collected against all
19 taxable property within the taxing district without limitation
20 by the provisions of this subsection. ~~However~~ In addition, all
21 or a portion of the taxes for the physical plant and equipment
22 levy shall be paid by the school district to the municipality
23 if the auditor certifies to the school district by July 1 the
24 amount of such levy that is necessary to pay the principal and
25 interest on bonds issued by the municipality to finance an
26 urban renewal project, which bonds were issued before July 1,
27 2001. Indebtedness incurred to refund bonds issued prior to
28 July 1, 2001, shall not be included in the certification. Such
29 school district shall pay over the amount certified by November
30 1 and May 1 of the fiscal year following certification to the
31 school district. Unless and until the total assessed valuation
32 of the taxable property in an urban renewal area exceeds the
33 total assessed value of the taxable property in such area as
34 shown by the last equalized assessment roll referred to in
35 subsection 1, all of the taxes levied and collected upon the

1 taxable property in the urban renewal area shall be paid into
2 the funds for the respective taxing districts as taxes by
3 or for the taxing districts in the same manner as all other
4 property taxes. When such loans, advances, indebtedness, and
5 bonds, if any, and interest thereon, have been paid, all moneys
6 thereafter received from taxes upon the taxable property in
7 such urban renewal area shall be paid into the funds for the
8 respective taxing districts in the same manner as taxes on all
9 other property. In those instances where a school district
10 has entered into an agreement pursuant to section 279.64 for
11 sharing of school district taxes levied and collected from
12 valuation described in this subsection and released to the
13 school district, the school district shall transfer the taxes
14 as provided in the agreement.

15 Sec. 2. Section 403.19, Code 2011, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 8. *a.* For urban renewal plans adopted
18 on or after the effective date of this Act, the foundation
19 property tax imposed pursuant to section 257.3, subsection
20 1, shall not be divided under this section but shall be paid
21 to the school district if the urban renewal plan includes
22 residential development in an area that is not designated a
23 slum or blighted area.

24 *b.* For urban renewal plans adopted before the effective date
25 of this Act that include residential development in an area
26 that is not designated a slum or blighted area, the foundation
27 property tax imposed pursuant to section 257.3, subsection 1,
28 shall not be divided under this section but shall be paid to
29 the school district, for fiscal years beginning on or after
30 July 1, 2021.

31 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
32 immediate importance, takes effect upon enactment.

33 EXPLANATION

34 This bill provides that the \$5.40 school foundation levy
35 shall not be divided for urban renewal purposes for urban

1 renewal plans adopted on or after the effective date of the
2 bill if the urban renewal plan includes residential development
3 in an area that is not designated a slum or blighted area.
4 Under the bill, such taxes shall instead be paid to the school
5 district. The bill further provides that, beginning with the
6 fiscal year beginning July 1, 2021, the \$5.40 school foundation
7 levy shall not be divided for urban renewal purposes for urban
8 renewal plans adopted before the effective date of the bill if
9 the urban renewal plan includes residential development in an
10 area that is not designated a slum or blighted area, but will
11 be paid to the school district.

12 The bill takes effect upon enactment.